

AMENDED IN ASSEMBLY JULY 18, 2001

AMENDED IN ASSEMBLY JULY 12, 2001

AMENDED IN ASSEMBLY JULY 10, 2001

AMENDED IN ASSEMBLY JUNE 25, 2001

**SENATE BILL**

**No. 975**

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**Introduced by Senator Alarcon**

February 23, 2001

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An act to amend Section 63036 of the Government Code, and to amend Section 1720 of the Labor Code, relating to the California infrastructure and economic development bank.

LEGISLATIVE COUNSEL'S DIGEST

SB 975, as amended, Alarcon. California Infrastructure and Economic Development Bank.

Existing law, the Bergeson-Peace Infrastructure and Economic Development Bank Act, establishes the California Infrastructure and Economic Development Bank in the Trade and Commerce Agency. The act requires public works financed by the bank to comply with certain laws applicable to payment of prevailing wages on public works.

This bill would require any of those public works financed through the use of industrial development bonds under the California Industrial Development Financing Act to comply with those laws relating to payment of prevailing wages.

Existing law generally defines "public works" to include construction, alteration, demolition, or repair work done under contract and paid for in whole or in part out of public funds.

This bill would redefine “public works” to include installation and provide that “paid for in whole or in part with public funds” means certain payments, transfers, credits, reductions, waivers, and performances of work, but does not include the construction or rehabilitation of affordable housing units for low- or moderate-income persons, as specified.

This bill would provide that certain private residential housing projects and development projects built on private property are not subject to the prevailing wage, hour, and discrimination laws that govern employment on public works projects.

This bill would also make technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 63036 of the Government Code is  
2 amended to read:

3 63036. It is the intent of the Legislature that the activities of  
4 the bank be fully coordinated with any future legislative plan  
5 involving growth management strategies designed to protect  
6 California’s land resource, and ensure its preservation and use it  
7 in ways which are economically and socially desirable. Further, all  
8 public works financed pursuant to this division, including those  
9 projects financed through the use of industrial development bonds  
10 under Title 10 (commencing with Section 91500), shall comply  
11 with Chapter 1 (commencing with Section 1720) of Part 7 of  
12 Division 2 of the Labor Code.

13 SEC. 2. Section 1720 of the Labor Code is amended to read:

14 1720. (a) As used in this chapter, “public works” means:

15 (1) Construction, alteration, demolition, installation, or repair  
16 work done under contract and paid for in whole or in part out of  
17 public funds, except work done directly by any public utility  
18 company pursuant to order of the Public Utilities Commission or  
19 other public authority. For purposes of this paragraph,  
20 “construction” includes work performed during the design and  
21 preconstruction phases of construction including, but not limited  
22 to, inspection and land surveying work.

23 (2) Work done for irrigation, utility, reclamation, and  
24 improvement districts, and other districts of this type. “Public

work” shall not include the operation of the irrigation or drainage system of any irrigation or reclamation district, except as used in Section 1778 relating to retaining wages.

(3) Street, sewer, or other improvement work done under the direction and supervision or by the authority of any officer or public body of the state, or of any political subdivision or district thereof, whether the political subdivision or district operates under a freeholder’s charter or not.

(4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(5) The laying of carpet in a public building done under contract and paid for in whole or part out of public funds.

(6) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

(b) For purposes of this section, “paid for in whole or in part out of public funds” means the payment of money or the equivalent of money by a state or ~~local public agency~~ *political subdivision* directly to or on behalf of the public works contractor, subcontractor, or developer, performance of construction work by the state or ~~local public agency~~ *political subdivision* in execution of the project, transfer of an asset of value for less than fair market price; fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the contract, which are paid, reduced, charged at less than fair market value, waived or forgiven; money to be repaid on a contingent basis; or credits applied against repayment obligations.

(c) Notwithstanding subdivision (b), private residential housing projects built on private property are not subject to the requirements of this chapter if the projects are not built ~~with the involvement of, or in concert with,~~ *pursuant to an authorization by or an agreement with a state agency, or a redevelopment agency or local housing authority.*

(d) Notwithstanding subdivision (b), *private* development projects built on private property are not subject to the requirements of this chapter solely because the state or a political subdivision ~~thereof requires the construction of offsite improvements, unless the~~ *requires the developer to perform construction, alteration, demolition, installation, or repair work on a public work of improvement. In such cases, only the*



1 *construction, alteration, demolition, or repair work shall be*  
2 *subject to the requirements of this chapter; unless the development*  
3 *project and off-site improvements are a single, interdependent, and*  
4 *integrated work.*

5 (e) Notwithstanding subdivision (b), the construction or  
6 rehabilitation of affordable housing units for low- or  
7 moderate-income persons pursuant to paragraph (5) or (7) of  
8 subdivision (e) of Section 33334.2 of the Health and Safety Code  
9 that are paid for solely with moneys from a Low and Moderate  
10 Income Housing Fund established pursuant to Section 33334.3 of  
11 the Health and Safety Code or that are paid for by a combination  
12 of private funds and funds available pursuant to Section 33334.2  
13 or 33334.3 of the Health and Safety Code does not constitute a  
14 project that is paid for in whole or in part out of public funds.

15 (f) Notwithstanding subdivision (b), “paid for in whole or in  
16 part out of public funds” shall not include tax credits provided  
17 pursuant to Section 17053.49 or 23649 of the Revenue and  
18 Taxation Code.

